



3015 (02-09-04)

ANNUAL REPORT

OF

Name: VALDERS MUNICIPAL WATER UTILITY

Principal Office: P.O. BOX 459
VALDERS, WI 54245

For the Year Ended: DECEMBER 31, 1998

**WATER, ELECTRIC, OR JOINT UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN**P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: VALDERS MUNICIPAL WATER UTILITY**Utility Address:** P.O. BOX 459
VALDERS, WI 54245**When was utility organized?** 1/1/1990**Report any change in name:****Effective Date:****Utility Web Site:**

Utility employee in charge of correspondence concerning this report:

Name: MRS MARY EVENSON**Title:** CLERK**Office Address:**P.O. BOX 459
VALDERS, WI 54245**Telephone:** (920) 775 - 4522**Fax Number:** (920) 775 - 4925**E-mail Address:**

Individual or firm, if other than utility employee, preparing this report:

Name: MRS KRISTINE M. LISCHKA CPA**Title:****Office Address:** IHLENFELD, SKATRUD & ANDERSON, INC., CPA'S
429 NORTH 9TH STREET
MANITOWOC, WI 54220**Telephone:** (920) 682 - 6365**Fax Number:** (920) 682 - 5499**E-mail Address:** ISACPAS@LAKEFIELD.NET

Are records of utility audited by individuals or firms, other than utility employee? YES

Individual or firm, if other than utility employee, auditing utility records:

Name: IHLENFELD, SKATRUD & ANDERSON, INC., CPA'S**Title:****Office Address:** IHLENFELD, SKATRUD & ANDERSON, INC., CPA'S
429 NORTH 9TH STREET
MANITOWOC, WI 54220**Telephone:** (920) 682 - 6365**Fax Number:** (920) 682 - 5499**E-mail Address:** ISACPAS@LAKEFIELD.NET**Date of most recent audit report:** 3/29/1999**Period covered by most recent audit:** 1998

IDENTIFICATION AND OWNERSHIP

Names and titles of utility management including manager or superintendent:

Name: MR LEONARD HEIMERMAN**Title:** SUPERINTENDENT**Office Address:**

P.O. BOX 459

VALDERS, WI 54245

Telephone: (920) 775 - 4522**Fax Number:** (920) 775 - 4925**E-mail Address:**

Name of utility commission/committee: VALDERS VILLAGE BOARD

Names of members of utility commission/committee:

MRS EUGENE HEIN, VILLAGE BOARD MEMBER

MR MATT KROGH, VILLAGE BOARD MEMBER

MS BARB KRUEGER, VILLAGE BOARD MEMBER

MR WARREN LUTZE, VILLAGE BOARD MEMBER

MR JAY MEISSEN, VILLAGE BOARD MEMBER

MR ROLAND SHIMEK, VILLAGE BOARD MEMBER

MR MIKE SIEWERT, VILLAGE BOARD MEMBER

Is sewer service rendered by the utility? YES**If "yes," has the municipality, by ordinance, combined the water and sewer service into a single public utility, as provided by Wis. Stat. § 66.077 of the Wisconsin Statutes?** NO**Date of Ordinance:****Are any of the utility administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and/or current year (i.e., operation of water or sewer treatment plant)?** NO

Provide the following information regarding the provider(s) of contract services:

Firm Name:**Contact Person:****Title:****Telephone:****Fax Number:****E-mail Address:**

Contract/Agreement beginning-ending dates:**Provide a brief description of the nature of Contract Operations being provided:**

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	97,836	95,562	1
Operating Expenses:			
Operation and Maintenance Expense (401)	57,946	45,378	2
Depreciation Expense (403)	13,560	12,995	3
Amortization Expense (404)	0	0	4
Taxes (408)	12,547	11,965	5
Total Operating Expenses	84,053	70,338	
Net Operating Income	13,783	25,224	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	13,783	25,224	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	7
Nonoperating Rental Income (418)	0	0	8
Interest and Dividend Income (419)	13,138	8,095	9
Miscellaneous Nonoperating Income (421)	63,864	67,189	10
Total Other Income	77,002	75,284	
Total Income	90,785	100,508	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0	0	11
Other Income Deductions (426)	0	0	12
Total Miscellaneous Income Deductions	0	0	
Income Before Interest Charges	90,785	100,508	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	45,011	47,584	13
Amortization of Debt Discount and Expense (428)			14
Amortization of Premium on Debt--Cr. (429)			15
Interest on Debt to Municipality (430)	0	8	16
Other Interest Expense (431)	0	0	17
Interest Charged to Construction--Cr. (432)			18
Total Interest Charges	45,011	47,592	
Net Income	45,774	52,916	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	259,237	193,730	19
Balance Transferred from Income (433)	45,774	52,916	20
Miscellaneous Credits to Surplus (434)	10,850	12,591	21
Miscellaneous Debits to Surplus--Debit (435)	0	0	22
Appropriations of Surplus--Debit (436)	0	0	23
Appropriations of Income to Municipal Funds--Debit (439)	0	0	24
Total Unappropriated Earned Surplus End of Year (216)	315,861	259,237	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Amount (b)	
Revenues from Utility Plant Leased to Others (412):		
NONE		1
Total (Acct. 412):	0	
Expenses of Utility Plant Leased to Others (413):		
NONE		2
Total (Acct. 413):	0	
Nonoperating Rental Income (418):		
NONE		3
Total (Acct. 418):	0	
Interest and Dividend Income (419):		
Interest	13,138	4
Total (Acct. 419):	13,138	
Miscellaneous Nonoperating Income (421):		
Non-Regulated Sewer Dept. Income	63,864	5
Total (Acct. 421):	63,864	
Miscellaneous Amortization (425):		
NONE		6
Total (Acct. 425):	0	
Other Income Deductions (426):		
NONE		7
Total (Acct. 426):	0	
Miscellaneous Credits to Surplus (434):		
Taxes Forgiven by Village	10,850	8
Total (Acct. 434):	10,850	
Miscellaneous Debits to Surplus (435):		
NONE		9
Total (Acct. 435)--Debit:	0	
Appropriations of Surplus (436):		
Detail appropriations to (from) account 215		10
Total (Acct. 436)--Debit:	0	
Appropriations of Income to Municipal Funds (439):		
NONE		11
Total (Acct. 439)--Debit:	0	

INCOME FROM MERCHANDISING, JOBBING & CONTRACT WORK (ACCTS. 415-416)

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Revenues (account 415)					0	1
Costs and Expenses of Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold					0	2
Payroll					0	3
Materials					0	4
Taxes					0	5
Other (list by major classes):					0	6
Total costs and expenses	0	0	0	0	0	
Net income (or loss)	0	0	0	0	0	

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

1. Report data necessary to calculate revenue subject to Wisconsin remainder assessment pursuant to Wis. Stat. § 196.85(2) and Wis. Admin. Code Ch. PSC 5.
2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	97,836	0	0	0	97,836	1
Less: interdepartmental sales	0		0	0	0	2
Less: interdepartmental rents					0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	5
Other Increases or (Decreases) to Operating Revenues - Specify:						
.					0	6
Revenues subject to Wisconsin Remainder Assessment	97,836	0	0	0	97,836	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	644,522	636,474	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	195,763	185,420	2
Net Utility Plant	448,759	451,054	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	2,536,660	2,499,958	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	592,141	512,693	4
Net Nonutility Property	1,944,519	1,987,265	
Investment in Municipality (123)	0	0	5
Other Investments (124)	2,894	2,894	6
Special Funds (125)	291,342	153,222	7
Total Other Property and Investments	2,238,755	2,143,381	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	21,359	65,339	8
Temporary Cash Investments (132)			9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	79,120	82,535	11
Other Accounts Receivable (143)	1,276	870	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	0	0	14
Materials and Supplies (150)	8,589	9,420	15
Prepayments (165)	0	0	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	110,344	158,164	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	0	0	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	0	0	20
Total Deferred Debits	0	0	
Total Assets and Other Debits	2,797,858	2,752,599	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Capital Paid in by Municipality (200)	444,122	394,122	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	315,861	259,237	23
Total Proprietary Capital	759,983	653,359	
LONG-TERM DEBT			
Bonds (221)	1,352,771	1,416,352	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	0	0	26
Total Long-Term Debt	1,352,771	1,416,352	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	7,221	2,520	28
Payables to Municipality (233)	44,447	41,044	29
Customer Deposits (235)			30
Taxes Accrued (236)	11,020	10,850	31
Interest Accrued (237)	7,386	7,733	32
Other Current and Accrued Liabilities (238)			33
Total Current and Accrued Liabilities	70,074	62,147	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)			35
Other Deferred Credits (253)	0	0	36
Total Deferred Credits	0	0	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)			37
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	615,030	620,741	38
Total Liabilities and Other Credits	2,797,858	2,752,599	

NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
Plant Accounts:					
Utility Plant in Service (100)	631,324	0	0	0	1
Utility Plant Purchased or Sold (391)					2
Utility Plant in Process of Reclassification (392)					3
Utility Plant Leased to Others (393)					4
Property Held for Future Use (394)					5
Construction Work in Progress (395)	11,142	2,056			6
Utility Plant Acquisition Adjustments (396)					7
Other Utility Plant Adjustments (397)					8
Total Utility Plant	642,466	2,056	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (110)	195,763	0	0	0	9
Total Accumulated Provision	195,763	0	0	0	
Net Utility Plant	446,703	2,056	0	0	

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Depreciation Accruals (Credits) during the year:

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year	185,420				185,420	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	13,560				13,560	4
Depreciation expense on meters						5
charged to sewer (see Note 3)					0	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
Total credits	13,560	0	0	0	13,560	13
Debits during year						14
Book cost of plant retired	3,217				3,217	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	3,217	0	0	0	3,217	19
Balance End of Year	195,763	0	0	0	195,763	20
Composite Depreciation Rate?	No					21
If yes, what is the rate?						22

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.
3. Describe in detail any investment in sewer department carried in this account.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	2,499,958	36,699		2,536,657	1
Other (specify):					
Rounding Adjustment	0	3		3	2
Total Nonutility Property (121)	2,499,958	36,702	0	2,536,660	
Less accum. prov. depr. & amort. (122)	512,693	79,448		592,141	3
Net Nonutility Property	1,987,265	(42,746)	0	1,944,519	

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (ACCT. 144)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Additions:		
Provision for uncollectibles during year		2
Collection of accounts previously written off: Utility Customers		3
Collection of accounts previously written off: Others		4
Total Additions	<u>0</u>	
Deductions:		
Accounts written off during the year: Utility Customers		5
Accounts written off during the year: Others		6
Total accounts written off	<u>0</u>	
Balance end of year	<u><u>0</u></u>	

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)	
Electric Utility							
Fuel for generation					0	0	1
Other					0	0	2
Total Electric Utility					0	0	

Account	Total End of Year	Amount Prior Year	
Electric utility total	0	0	1
Water utility	8,119	9,120	2
Sewer utility	470	300	3
Gas utility		0	4
Merchandise		0	5
Other materials & supplies		0	6
Total Materials and Supplies	8,589	9,420	

**UNAMORTIZED DEBT DISCOUNT & EXPENSE & PREMIUM ON DEBT
(ACCTS. 181 AND 251)**

Report net discount and expense or premium separately for each security issue.

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
Unamortized debt discount & expense (181)				1
Total			<u>0</u>	
Unamortized premium on debt (251)				2
Total			<u>0</u>	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D, sewer and privates) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Amount (b)	
Balance first of year	394,122	1
Changes during year (explain):		
Contribution by Village	50,000	2
Balance end of year	444,122	

BONDS (ACCT. 221)

1. Report hereunder information required for each separate issue of bonds.
2. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
3. Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)	
Sewerage System Mortgage Revenue Bonds	05/11/1994	05/01/2014	3.27%	1,352,771	1
Total Bonds (Account 221):				1,352,771	

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

1. Report each class of debt included in Accounts 223, 224 and 231.
2. Proceeds of general obligation issues, if subject to repayment by the utility, should be included in Account 223.
3. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)
--	----------------------------------	--	----------------------------------	---

NONE

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	10,850	1
Accruals:		
Charged water department expense	12,547	2
Charged electric department expense		3
Charged sewer department expense		4
Other (explain):		
NONE		5
Total Accruals and other credits	12,547	
Taxes paid during year:		
County, state and local taxes		6
Social Security taxes	1,401	7
PSC Remainder Assessment	126	8
Other (explain):		
Forgiveness of Prior Year Equivalent Tax	10,850	9
Total payments and other debits	12,377	
Balance end of year	11,020	

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
2. Report Customer Deposits under Account 231.

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
Clean Water Fund Bonds	7,733	45,011	45,358	7,386	1
Subtotal	7,733	45,011	45,358	7,386	
Advances from Municipality (223)					
Advances from Municipality	0			0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
G.O. Debt - Village	0			0	3
Subtotal	0	0	0	0	
Notes Payable (231)					
NONE	0			0	4
Subtotal	0	0	0	0	
Total	7,733	45,011	45,358	7,386	

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCOUNT 271)

Particulars (a)	Water (b)	Electric		Sewer (e)	Gas (f)	Total (g)	
		Distribution (c)	Other (d)				
Balance First of Year	150,317	0	0	470,424	0	620,741	1
Add credits during year:							
For Services						0	2
For Mains						0	3
Other (specify):							
NONE						0	4
Deduct charges (specify):							
Amortization of Grants				5,711		5,711	5
Balance End of Year	150,317	0	0	464,713	0	615,030	
Amount of federal and state grants in aid received for utility construction included in End of Year totals				100,901		100,901	6

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Investment in Municipality (123):		
NONE		1
Total (Acct. 123):	0	
Other Investments (124):		
Special Assessments	2,894	2
Total (Acct. 124):	2,894	
Special Funds (125):		
Local Government Investment Pool Investments	291,342	3
Total (Acct. 125):	291,342	
Notes Receivable (141):		
NONE		4
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	23,325	5
Electric		6
Sewer (Regulated)		7
Other (specify):		
Non-Regulated Sewer Accounts Receivable	55,795	8
Total (Acct. 142):	79,120	
Other Accounts Receivable (143):		
Sewer (Non-regulated)	1,276	9
Merchandising, jobbing and contract work		10
Other (specify):		
NONE		11
Total (Acct. 143):	1,276	
Receivables from Municipality (145):		
NONE		12
Total (Acct. 145):	0	
Prepayments (165):		
NONE		13
Total (Acct. 165):	0	
Extraordinary Property Losses (182):		
NONE		14
Total (Acct. 182):	0	
Other Deferred Debits (183):		
NONE		15
Total (Acct. 183):	0	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Payables to Municipality (233):		
Advances from Village	44,447	16
Total (Acct. 233):	44,447	
Other Deferred Credits (253):		
NONE		17
Total (Acct. 253):	0	

RETURN ON RATE BASE COMPUTATION

1. The data used in calculating rate base are averages.
2. Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
3. Note: Do not include property held for future use or construction work in progress with utility plant in service. These are not rate base components.

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service	630,156	0	0	0	630,156	1
Materials and Supplies	8,619	0	0	0	8,619	2
Other (specify):					0	3
Less Average:						
Reserve for Depreciation	190,591	0	0	0	190,591	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	150,317	0	0	0	150,317	6
Other (specify):					0	7
Average Net Rate Base	297,867	0	0	0	297,867	
Net Operating Income	13,783	0	0	0	13,783	8
Net Operating Income as a percent of						
Average Net Rate Base	4.63%	N/A	N/A	N/A	4.63%	

RETURN ON PROPRIETARY CAPITAL COMPUTATION

1. The data used in calculating proprietary capital are averages.
2. Calculate those averages by summing the first-of-year and end-of-year figures for each account and then dividing by two.

Description (a)	Amount (b)	
Average Proprietary Capital		
Capital Paid in by Municipality	419,122	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	287,549	3
Other (Specify):		4
Total Average Proprietary Capital	706,671	
Net Income		
Net Income	45,774	5
Percent Return on Proprietary Capital	6.48%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

2. Leaseholder changes.

3. Extensions of service.

4. Estimated changes in revenues due to rate changes.

5. Obligations incurred or assumed, excluding commercial paper.

6. Formal proceedings with the Public Service Commission.

7. Any additional matters.

FINANCIAL SECTION FOOTNOTES

Identification and Ownership (Page iv)

No response, changed kwh to 83000 - watch 1999
watch expense explanations in 1999
watch that gallons pumped are correctly reported 1999
ele

July 2, 1999

Mrs. Mary Evenson, Clerk
Valders Public Utility
P.O. Box 459
Valders, WI 54245-0459

1998 Analytical Review DWCCA-6060-ELE

Dear Mrs. Evenson:

The Public Service Commission (PSC) is in the process of completing an analytical review of your utility's 1998 annual report. The purposes of an analytical review are to detect possible reporting or accounting related errors and to identify significant fluctuations from established trends in reported data not sufficiently explained in the annual report. It is our hope that our review will supply information that will enable us to better provide guidance to your utility regarding proper utility accounting and the preparation of future annual reports. In order to complete this review, we request the following information:

1. During our review, we noted 83 reported for kWh pumped on page W-10. If the \$6,134 reported in Account 620, power used for pumping, on page W-5 is divided by 6 cents (the average cost of kWh), the result is 102,233 kWh. Should the kWh on W-10 be 83,000? Please indicate the correct kWh used for pumping on page W-10.

2. During our review, we noted that the total Plant Operation and Maintenance Expenses reported on page W-1, increased over 30% from 1997. Please furnish a brief explanation.

3. During our review, we noted that gallons were reported PURCHASED on page W-10. We assume this was inadvertent and the gallons should be reported as PUMPED, and have revised our copy. Please revise your copy accordingly.

We appreciate your cooperation in providing the above information. These recommendations are intended to provide accounting assistance and should not be construed as criticisms of utility personnel. If you have any questions, please feel free to contact me at (608) 266-3768. Please respond within 30 days of this letter. If we have no questions regarding your response, you can consider the review closed.

Sincerely,

Elaine Engelke

FINANCIAL SECTION FOOTNOTES

Financial Specialist
Division of Water, Compliance, and Consumer Affairs

ELE:tlk:w:\compl\analytical review letters\July 2 1999 rev letters e.doc

cc: Mr. Matt Krogh

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sales of Water		
Sales of Water (460-467)	96,658	1
Total Sales of Water	96,658	
Other Operating Revenues		
Forfeited Discounts (470)	208	2
Other Water Revenues (474)	970	3
Amortization of Construction Grants (475)	0	4
Total Other Operating Revenues	1,178	
Total Operating Revenues	97,836	
Operation and Maintenance Expenses		
Plant Operation and Maintenance Expenses (600-660)	40,066	5
General Operating Expenses (680-690)	17,880	6
Total Operation and Maintenance Expenses	57,946	
Other Operating Expenses		
Depreciation Expense (403)	13,560	7
Amortization Expense (404)		8
Taxes (408)	12,547	9
Total Other Operating Expenses	26,107	
Total Operating Expenses	84,053	
NET OPERATING INCOME	13,783	

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Bulk sales should be account 460.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential	2	20	57	1
Commercial	1	23	45	2
Industrial				3
Total Unmetered Sales to General Customers (460)	3	43	102	
Metered Sales to General Customers (461)				
Residential	326	18,835	46,136	4
Commercial	40	4,220	8,542	5
Industrial	8	7,712	7,668	6
Total Metered Sales to General Customers (461)	374	30,767	62,346	
Private Fire Protection Service (462)	1		244	7
Public Fire Protection Service (463)	1		28,341	8
Other Sales to Public Authorities (464)	8	4,062	5,625	9
Sales to Irrigation Customers (465)	0	0	0	10
Sales for Resale (466)	0	0	0	11
Interdepartmental Sales (467)	0	1	0	12
Total Sales of Water	387	34,873	96,658	

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)
------------------------------------	--	--	-------------------------------

NONE

OTHER OPERATING REVENUES (WATER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Particulars (a)	Amount (b)	
Public Fire Protection Service (463):		
Amount billed (usually per rate schedule F-1)	28,341	1
Wholesale fire protection billed		2
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)		3
Other (specify):		
NONE		4
Total Public Fire Protection Service (463)	28,341	
Forfeited Discounts (470):		
Customer late payment charges		5
Other (specify):		
Forfeited Discounts	208	6
Total Forfeited Discounts (470)	208	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	839	7
Other (specify):		
Miscellaneous Revenue	131	8
Total Other Water Revenues (474)	970	
Amortization of Construction Grants (475):		
NONE		9
Total Amortization of Construction Grants (475)	0	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 30 percent, but not less than \$2,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
PLANT OPERATION AND MAINTENANCE EXPENSES		
Salaries and Wages (600)	18,425	1
Purchased Water (610)		2
Fuel or Power Purchased for Pumping (620)	6,114	3
Chemicals (630)	1,406	4
Supplies and Expenses (640)	1,715	5
Repairs of Water Plant (650)	12,406	6
Transportation Expenses (660)		7
Total Plant Operation and Maintenance Expenses	40,066	
GENERAL OPERATING EXPENSES		
Administrative and General Salaries (680)	3,279	8
Office Supplies and Expenses (681)	1,523	9
Outside Services Employed (682)	770	10
Insurance Expense (684)	1,705	11
Employees Pensions and Benefits (686)	7,237	12
Regulatory Commission Expenses (688)	0	13
Miscellaneous General Expenses (689)	2,938	14
Uncollectible Accounts (690)	428	15
Total General Operating Expenses	17,880	
Total Operation and Maintenance Expenses	57,946	

TAXES (ACCT. 408 - WATER)

When allocation of taxes is made between departments, explain method used.
--

Description of Tax (a)	Method Used to Allocate Between Departments (b)	Amount (c)	
Property Tax Equivalent		11,020	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department		282	2
Net property tax equivalent		10,738	
Social Security		1,683	3
PSC Remainder Assessment		126	4
Other (specify): NONE			5
Total tax expense		12,547	

PROPERTY TAX EQUIVALENT (WATER)

1. No property tax equivalent shall be determined for sewer utilities or town sanitary district water utilities.
2. Tax rates are those issued in November (usually) of the year being reported and are available from the municipal treasurer. Report the tax rates in mills to six (6) decimal places.
3. The assessment ratio is available from the municipal treasurer. Report the ratio as a decimal to six (6) places.
4. The utility plant balance first of year should include the gross book values of plant in service, property held for future use and construction work in progress.
5. An "other tax rate" is included in the "Net Local and School Tax Rate Calculation" to the extent that it is local. An example is a local library tax. Fully explain the rate in the Property Tax Equivalent schedule footnotes.
6. The Property Tax Equivalent to be reported for the year is determined pursuant to Wis. Stat § 66.069(1)(c). Report the higher of the current year calculation or the tax equivalent reported in the 1994 PSC annual report, unless, the municipality has authorized a lower amount, then that amount is reported as the property tax equivalent.
7. If the municipality has authorized a lower amount, the authorization description and date of the authorization must be reported in the Property Tax Equivalent schedule footnotes.

Particulars (a)	Units (b)	Total (c)	County A (d)	County B (e)	County C (f)	County D (g)	
County name			Manitowoc				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.228635				3
County tax rate	mills		6.871382				4
Local tax rate	mills		5.765072				5
School tax rate	mills		13.557041				6
Voc. school tax rate	mills		1.851208				7
Other tax rate - Local	mills		0.000000				8
Other tax rate - Non-Local	mills		0.000000				9
Total tax rate	mills		28.273338				10
Less: state credit	mills		2.242592				11
Net tax rate	mills		26.030746				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		5.765072				14
Combined School Tax Rate	mills		15.408249				15
Other Tax Rate - Local	mills		0.000000				16
Total Local & School Tax	mills		21.173321				17
Total Tax Rate	mills		28.273338				18
Ratio of Local and School Tax to Total	dec.		0.748879				19
Total tax net of state credit	mills		26.030746				20
Net Local and School Tax Rate	mills		19.493890				21
Utility Plant, Jan. 1	\$	636,474	636,474				22
Materials & Supplies	\$	9,420	9,420				23
Subtotal	\$	645,894	645,894				24
Less: Plant Outside Limits	\$	0	0				25
Taxable Assets	\$	645,894	645,894				26
Assessment Ratio	dec.		0.875554				27
Assessed Value	\$	565,515	565,515				28
Net Local & School Rate	mills		19.493890				29
Tax Equiv. Computed for Current Year	\$	11,024	11,024				30
Tax Equivalent per 1994 PSC Report	\$	12,591					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$	11,020					32
Tax equiv. for current year (see note 6)	\$	11,020					34

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	124		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	124	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	0		4
Structures and Improvements (311)	0		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	0		7
Wells and Springs (314)	45,645		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	13,862		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	59,507	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	57,486		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	73,812		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	694		20
Total Pumping Plant	131,992	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	14,160	3,222	23
Total Water Treatment Plant	14,160	3,222	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	207		24
Structures and Improvements (341)	0		25

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)			124	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	124	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			0	4
Structures and Improvements (311)			0	5
Collecting and Impounding Reservoirs (312)			0	6
Lake, River and Other Intakes (313)			0	7
Wells and Springs (314)			45,645	8
Infiltration Galleries and Tunnels (315)			0	9
Supply Mains (316)			13,862	10
Other Water Source Plant (317)			0	11
Total Source of Supply Plant	0	0	59,507	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)			57,486	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			73,812	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			694	20
Total Pumping Plant	0	0	131,992	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			0	22
Water Treatment Equipment (332)			17,382	23
Total Water Treatment Plant	0	0	17,382	
TRANSMISSION AND DISTRIBUTION PLANT				
Land and Land Rights (340)			207	24
Structures and Improvements (341)			0	25

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)	11,790		26
Transmission and Distribution Mains (343)	290,832		27
Fire Mains (344)	0		28
Services (345)	36,667		29
Meters (346)	32,993	2,330	30
Hydrants (348)	42,435		31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	414,924	2,330	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	481		35
Computer Equipment (372.1)	0		36
Transportation Equipment (373)	3,247		37
Other General Equipment (379)	4,554		38
Other Tangible Property (390)	0		39
Total General Plant	8,282	0	
Total utility plant in service directly assignable	628,989	5,552	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	628,989	5,552	

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
TRANSMISSION AND DISTRIBUTION PLANT				
Distribution Reservoirs and Standpipes (342)			11,790	26
Transmission and Distribution Mains (343)			290,832	27
Fire Mains (344)			0	28
Services (345)			36,667	29
Meters (346)	3,217		32,106	30
Hydrants (348)			42,435	31
Other Transmission and Distribution Plant (349)			0	32
Total Transmission and Distribution Plant	3,217	0	414,037	
GENERAL PLANT				
Land and Land Rights (370)			0	33
Structures and Improvements (371)			0	34
Office Furniture and Equipment (372)			481	35
Computer Equipment (372.1)			0	36
Transportation Equipment (373)			3,247	37
Other General Equipment (379)			4,554	38
Other Tangible Property (390)			0	39
Total General Plant	0	0	8,282	
Total utility plant in service directly assignable	3,217	0	631,324	
Common Utility Plant Allocated to Water Department			0	40
Total utility plant in service	3,217	0	631,324	

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Month (a)	Sources of Water Supply			Total Gallons All Methods (000's) (e)	
	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)		
January			4,210	4,210	1
February			4,444	4,444	2
March			4,364	4,364	3
April			3,980	3,980	4
May			4,281	4,281	5
June			3,739	3,739	6
July			3,943	3,943	7
August			3,620	3,620	8
September			4,598	4,598	9
October			4,436	4,436	10
November			4,203	4,203	11
December			4,552	4,552	12
Total for year	0	0	50,370	50,370	
Less: Measured or estimated water used in main flushing and water treatment during year				500	13
Less: Other utility use				2,300	14
Other utility use explanation:					15
5 Main Breaks in 1998 -1,000,000					
Fire Drills/Fires - 1,000,000					
Water Football Field - 300,000					
Water pumped into distribution system				47,570	16
Less: Water sold				34,873	17
Losses and unaccounted for				12,697	18
Percent unaccounted for to the nearest whole percent (%)				27%	19
If more than 25%, indicate causes and state what action has been taken to reduce water loss:					20
Joe Kingsly from Rural Water Association did an inspection and found a leak in a water main in 2 hydrants that were leaking at the base. Repair completed in 1999.					
Maximum gallons pumped by all methods in any one day during reporting year				512	21
Date of maximum: 2/13/1998					22
Cause of maximum:					23
Main Break					
Minimum gallons pumped by all methods in any one day during reporting year				53	24
Date of minimum: 8/24/1998					25
Total KWH used for pumping for the year				83,000	26
If water is purchased:Vendor Name:					27
Point of Delivery:					28

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)	
WELL 207 S. LIBERTY STREET	#1	625	12	720,000	Yes	1
WELL 314 S. ADAMS STREET	#2	528	12	720,000	Yes	2

SOURCES OF WATER SUPPLY - SURFACE WATERS

Location (a)	Intakes			
	Identification Number (b)	Distance From Shore in feet (c)	Depth Below Surface in feet (d)	Diameter in inches (e)
NONE				

1

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification	#1	#2	WELL #1	1
Location	SOUTH LIBERTY STREET	SOUTH ADAMS STREET	SOUTH LIBERTY STREET	2
Purpose	S	P	P	3
Destination	D	D	D	4
Pump Manufacturer	WAUKESHA	BYRON JACKSON	BYRON JACKSON	5
Year Installed	1938	1980	1966	6
Type	OTHER	VERTICAL TURBINE	VERTICAL TURBINE	7
Actual Capacity (gpm)	100	500	500	8
Pump Motor or Standby Engine Mfr	WAUKESHA	USA	USA	9
Year Installed	1938	1995	1966	10
Type	NATURAL GAS	ELECTRIC	ELECTRIC	11
Horsepower	50	50	50	12

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification				14
Location				15
Purpose				16
Destination				17
Pump Manufacturer				18
Year Installed				19
Type				20
Actual Capacity (gpm)				21
Pump Motor or Standby Engine Mfr				22
Year Installed				23
Type				24
Horsepower				25

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification number or name	1		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2 3
Type: R (reservoir), S (standpipe) or ET (elevated tank)	ET		4 5
Year constructed	1938		6
Primary material (earthen, steel, concrete, other)	STEEL		7 8
Elevation difference in feet (See Headnote 3.)	140		9 10
Total capacity in gallons	50,000		11
WATER TREATMENT PLANT			12
Disinfection, type of equipment (gas, liquid, powder, other)	LIQUID		13 14
Points of application (wellhouse, central facilities, booster station, other)	WELLHOUSE		15 16 17
Filters, type (gravity, pressure, other, none)	NONE		18 19
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	0.1750		20 21 22
Is a corrosion control chemical used (yes, no)?	N		23 24
Is water fluoridated (yes, no)?	Y		25

WATER MAINS

1. Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
2. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement), or P (Plastic for plastic and all other non-metal excluding asbestos-cement).
3. Identify function as: T (Transmission), D (Distribution) or S (Supply).
4. Explain all reported adjustments as a schedule footnote.
5. For main additions reported in column (e), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

Number of Feet							
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)
M	D	2.000	672	0	0	0	672
M	D	4.000	330	0	0	0	330
M	D	6.000	25,587	0	0	0	25,587
M	D	8.000	5,783	1,132	0	0	6,915
M	D	12.000	660	0	0	0	660
Total Within Municipality			33,032	1,132	0	0	34,164
Total Utility			33,032	1,132	0	0	34,164

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by pipe material and diameter.
5. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
P	0.750	252	0	0	0	252	4	1
L	0.750	1	0	0	0	1		2
P	1.000	85	10	0	0	95	12	3
P	1.250	1	0	0	0	1		4
P	1.500	2	0	0	0	2	1	5
P	2.000	11	1	0	0	12	1	6
M	3.000	1	0	0	0	1		7
M	4.000	3	0	0	0	3		8
Total Utility		356	11	0	0	367	18	

METERS

1. Include in Columns (b), (c), (d), (e) and (f) meters in stock as well as those in service.
2. Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
3. Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections.
4. Totals by size in Column (f) should equal same size totals in Column (o).

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.625	220	25	31	0	214	0	1
0.750	189	20	15	0	194	0	2
1.000	5	0	0	1	6	2	3
1.500	1	0	0	0	1	0	4
2.000	6	0	0	0	6	6	5
3.000	1	0	0	0	1	0	6
4.000	1	0	0	0	1	0	7
Total:	423	45	46	1	423	8	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.625	179	15	2	2	0	16	214	1
0.750	149	18	2	4	0	21	194	2
1.000	0	5	1	0	0	0	6	3
1.500	0	0	1	0	0	0	1	4
2.000	0	2	2	0	1	1	6	5
3.000	0	0	0	1	0	0	1	6
4.000	0	0	0	1	0	0	1	7
Total:	328	40	8	8	1	38	423	

HYDRANTS AND DISTRIBUTION SYSTEM VALVES

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.
3. Report fire hydrants as within or outside the municipal boundaries.

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire Hydrants						
Outside of Municipality	0				0	1
Within Municipality	46	4			50	2
Total Fire Hydrants	46	4	0	0	50	
Flushing Hydrants						
	0				0	3
Total Flushing Hydrants	0	0	0	0	0	

Wis. Admin. Code § 185.87 requires that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Report the number operated during the year

Number of hydrants operated during year:	50
Number of distribution system valves end of year:	104
Number of distribution valves operated during year:	20

WATER OPERATING SECTION FOOTNOTES

Property Tax Equivalent (Water) (Page W-07)

The Village of Valders motioned that the utility's taxes in the amount of \$11,020 be forgiven for 1998. The motion was passed. This was done in accordance with S. 66.069(1)(c), Stats. This was done so that the tax equivalent would be closer to the actual. A copy of the board minutes are attached.

Pumping and Purchased Water Statistics (Page W-10)

utility reported 83 kwh for pumping. Changed to 83000 by ele 8/13/99 (fuel expense divided by 6 cents).

Sources of Water Supply - Statistics (Page W-10)

gallons moved from purchased to pumped 6/29/99 ele

Water Mains (Page W-15)

The water mains added were from the new subdivision that a developer is constructing. These mains were added by him and paid for by him. Until they are placed into working service, there is no addition to Utility Plant except for Construction in Progress. These are being financed by the developer.

Water Services (Page W-16)

The servies added were paid for by the developer. There is a new subdivision under construction and not finished as of 12-31-98. As no costs have been paid by the village so far, Utility Plant has not increased. The total cost paid for as of 12-31-98 by the developer for services is \$4,430.

Meters (Page W-17)

The inventory was adjusted by 1 due to a miscalculation in 1997.

Hydrants and Distribution System Valves (Page W-18)

These hydrants were added by a developer during 1998. They were not in operation as of 12-31-98.

During 1997, all distribtuion valves were tested and that is why there is less than 50% being tested in 1998. This was done following the two year schedule that was adopted.
